

Talbot County Economic Development Commission (EDC)
Talbot County Government Office, 215 Bay Street, Suite 5, Easton, MD 21601
May 7, 2015 Meeting Minutes

Members Present: Chair, Geoff Oxnam; Vice Chair, Haim Loran; Jacqueline Wilson; Paul Makosky; Peter Dunbar; Ted Bautz; Gerald O'Mara; Walter Chase; (one vacancy remains on the EDC)

Ex Officio Members Present: Al Silverstein; Mike Henry; Terenda Thomas; Timothy Jones

Members Excused: Deborah Renshaw and Scott Beatty

Attendees: Scott Warner, Mark Greene and Laura Heikes

Guest Speaker: George Koste, Executive Director, Maryland Capital Enterprises, Inc. (MCE) provided a summary of the organization, established to help entrepreneurs succeed. The MCE provides business counseling, mentoring and now MCE is a micro lender. MCE receives funding from Small Business Administration (SBA), US Department of Agriculture (USDA), Department of Housing and Community Development (DHCD) and, the Video Lottery Terminal (VLT). In addition to the MCE mission for consulting and mentoring firms, the MCE operates a Women's Business Center, which focuses the same resources with an emphasis for helping women get started in business. The Women's Business Center is partially funded by the SBA. A number of banks through their community development programs assist as well. The MCE is working with a variety of businesses including a restaurant, pharmacy and hair salon. In Wicomico County, the MCE invested in school buses because the school buses are contractual, and this qualifies as a small business operation. MCE lends money at rates of between 5% and 12% depending on the risk involved. The average loan is about 7% or 8%. When the grants are repaid the money goes back to the revolving loan funds. Although the interest may be higher than a bank, MCE is very helpful to businesses who have been denied loans by traditional banks. MCE has a loan committee comprised of bankers who meet once a month and review businesses' loan packages. The businesses then provide their presentations to the loan committee and the committee values the percentages based on a grid. MCE is considered a "Credit Builder Loan," for people whose credit rating is very low. MCE has just completed a round of advertising with WMDT channel 47 (Delmarva/Salisbury) to help the community become aware of MCE's efforts. A discussion ensued regarding MCE's exposure, working with other resources and public relations. Mr. Koste is looking for women speakers to tell their success stories, as they relate to their career paths, for the Women's Business Center Networking luncheons. For additional information visit:
<http://www.marylandcapital.org>.

Call to Order: Chairman Oxnam called the meeting to order, with a quorum, at 8:26 a.m.

Agenda and Minutes: The EDC approved the Agenda for May 7, 2015 unanimously. The EDC April 02, 2015 draft-meeting minutes were also approved unanimously.

Correspondence:

- A letter of support, for Easton Economic Development Corporation's (EEDC) grant request for Chesapeake Harvest, was sent to Tracey Ward. The request was for \$800,000.00 to set up an LLC and run a food distribution for the region.
- Four EDC terms are due to expire on June 30th: Peter Dunbar, Town of Oxford; Paul Makosky, Member at Large; Gerald O'Mara, Agriculture and Kelley Malone, Town of Easton. Mr. Oxnam thanked them all for their service to the EDC. The director explained that commission members are appointed by the County Council to advise them on economic development matters. Letters of recommendation go to County Council and they consider appointments to serve on the Commission. The four appointed representatives from the towns are recommended by the individual towns. The County Managers Office will contact the Town of Oxford and Easton regarding their recommendations. The remaining seven members must compose a letter, addressed to the County Manager, expressing their interest in continuing to serve on the Commission.

Old Business:

- Mr. Oxnam reported how great to see another big turnout at the Talbot County Business Appreciation and Awards Breakfast on Friday April 24 at the Elks. The attendance showed the level of interest and enthusiasm from the community for the work of the Commission and to celebrate businesses in Talbot County. The 50-Year Anniversary video truly personalized the experience of our region. Mr. Oxnam encouraged the commission to continue to innovate the event and thanked the director and her staff for the work they put into the breakfast. The Appreciation Breakfast is an important event and as the commission looks ahead to next year. Mr. Oxnam encouraged the commission to share ideas to maximize next year's breakfast.

- **FY 16 Budget:** The OED requested a full-time contractual Business Retention Specialist position and to retain the marketing budget from this year's level which was \$50,000.00, as well as an additional request of \$100,000.00 for an incentive fund to support business attraction efforts. The budget as submitted was not approved. The Business Retention Specialist position was not funded and the Marketing Budget was reduced to \$25,000. The Incentive Fund was awarded \$25,000. The director submitted written comments to the County Manager and Council requesting that the original budget submittal, in keeping with the 2016 OED Strategic Plan and Marketing Plan, be reconsidered. A discussion ensued regarding the lack of economic development funding and a concern for how to move forward with the work required to keep a resilient business base for our community. Chairman Oxnam suggested the EDC regroup and work on what their role should be as an Economic Development Commission and what goals to achieve going forward. Mr. Oxnam asked the commission to share their ideas. Comments of interest were:
- The EDC needs to prioritize. Activities need to be defined as those, which contribute to economic growth and cut out the PR.
- Discover what council's goals and objectives for economic development are; what does council want the community to look like and what are the expectations. Once the expectations are understood, we can put together a program, and put a dollar amount on that program. Also, to better understand EEDC's role and those areas that are not covered, and should be covered by OED/EDC; the two organizations can complement each other.
- There is a good relationship between town and county. The county has a responsibility to St. Michaels, Trappe and Oxford regarding attraction initiatives. Sage Policy Group advised the EDC, through their analysis, that we have opportunity, untapped commercial resources, and capacity of infrastructure, etc.
- The term Economic "Development" is misunderstood and needs to be changed to Economic "Solutions," or Economic "Prosperity." There may be an economic development problem because we are not creating the kinds of jobs that sustain the quality of life.
- Previously the idea was to stop the box stores and gigantic developments. Yet these are the only kind of businesses that have been successful. By not investing in our main street economy, we have created an environment where only the box stores can be successful and they provide low-wage jobs.
- A discussion ensued regarding the need to create a middle-class in our community.
- Noted in the newspaper, was the fact that the tax assessment of the county was down. Work needs to be discussed regarding maintaining and growing property values; no one wants their investment to decline. How can the value of real estate be secured, because then we may have the funding necessary to finance various programs.
- Important to the EDC is to clearly articulate the work, put in the time and resources, and make sure what "Economic Development" means to our community and policy makers, then combine our efforts to work on solutions in a cohesive manner.
- The kind of economy that can be supported in Talbot County are smaller to medium size businesses, under 50 employees, not big box stores or manufacturers. The area needs people with skills and trades, middle-income jobs and affordable housing.
- One suggestion was the commission write a letter of support to County Council. Before the letter, perhaps the Chairman of the Commission could initiate conversations with council members to ascertain if there is an opportunity to leverage our position in a letter.
- It was noted council members rarely attend the Economic Development Commission Meetings.
- Work on developing a cohesive relationship with council to understand what council wants the commission to do for them, as well as the council's level of engagement. Advise council that the EDC is concerned regarding the status of the commission and the budget.
- A formal motion was made and approved unanimously for Chairman Oxnam to contact the council members individually to get a sense of their position regarding the work of the commission going forward given the budget provided to the OED

New Business: The director reported the OED developed an RFP for the first phase of a 3-phase project to develop a brand and marketing strategy. The RFP was forwarded to the County Manager's office for review. The RFP was project was not approved due to concern for enough time to complete the process by June 30. The director was advised to work on a marketing promotion with Tourism and will follow through with this recommendation.

Business Environment Committee (BEC) Report: Ted Bautz, Chair reported the BEC committee did not meet in April due to the Memorial Holiday. June will be the next scheduled BEC meeting. Mr. Bautz suggested Judith Shuler return and brief the committee with an update on how the permits and inspections procedures are working. The director will invite Ms. Shuler to the next BEC meeting in June.

Marketing Committee (MC) Report: Haim Loran, Chair reported the project that has a small chance of bringing in new businesses has not been supported. Mr. Loran has appealed to the County Manager's Office to make the follow-up calls to the businesses who may have received our "Business Attraction Letter." The OED should be able to make the 1600 follow-up calls.

Director's Report:

- The director reported the grant agreement with Wildlife International has been drafted with County Attorney Tony Kupersmith. The project represents a \$200,000.00 conditional loan with DBED as an incentive to create 75 jobs and renovate 28kSF with a \$6Million investment over 5 years.
- The OED is working with Composite Yacht to support their requirement for water/sewer issues so they can expand their boat building operation. The Ferry Point Marina shares this concern. Several options are being proposed and the businesses and the OED are working with the County Planning Office, the MD Department of Health and the SHA.
- The Chinese owned Kangde Xin's facility lease will expire in November 2015 at their current location on Mistletoe Drive. The OED is working with the company, the building owner and real estate brokers to support the retention of this company. They import product from the Port of Baltimore and serve as the North America Sales Center.
- In Trappe, the current owner of the Pizza Bank Company is closing and will be subleasing the business. Trappe also saw the closing of The Talbot Bank in April. The OED is working with the Business Retention Specialist and the Town of Trappe to identify a plan for redevelopment.
- The OED has meetings scheduled with Allen Harim Foods, Caloris Engineering, Trident Aircraft, and the 1880 Bank who recently purchased Easton Bank & Trust. The Business Retention Specialist has called on 14 companies.
- The director provided copies of Talbot County Brief Economic Facts, prepared by DBED, as well as invitations to Talbot County Public Schools (TCPS). The launch of TCPS Perspective New Family Welcome Initiative will be held on May 27th at 8:30 a.m. at the Talbot County Education Center.
- The director presented the regional informational marketing guide, "Maryland's Eastern Shore" Economic Development, sponsored by Caroline, Cecil, Dorchester, Kent and Talbot Counties. The Airport and the OED worked together to produce an ad in the transportation section. The marketing guide can be used for perspective businesses and people interested in the area.

With the increased activity in Tourism and the new hotels and expansions plans for the hospitality industry in Talbot County, we are becoming increasingly aware of the acute workforce shortage. This has been a topic of concern for the Talbot County Resource Providers (CORE) who meet each month to share and discuss project activity. The OED, Chesapeake College and the WIB will host a Hospitality Workforce Forum, to be held on May 27th at 3:00 p.m. at the Talbot County Government Office Building on 215 Bay Street. Major hospitality industry representatives are invited.

Town & Member Reports:

Haim Loran: No additional report

Mike Henry, Easton Airport: reported Trident Aircraft made an announcement regarding their 3-year contract with the Naval Academy, providing training to midshipmen. This is a multi-million dollar contract, over 3 years, with 20 employees added each year and about 25,000 gallons of fuel purchased each year. Easton Airport's business is up; traffic is up 40% over last year. Talbot Aviation is working with Lane Engineering to design a new corporate hanger.

Tim Jones, Chesapeake College: reported college graduation is in two weeks, with 350 students receiving their diploma. The college is working on a Needs Assessment to determine future workforce training programs. The final assessment should be completed in about a month. The college is working on an Agriculture Program.

Ted Bautz: No additional report

Laura Heikes: No report

Gerald O'Mara, Agriculture: reported the avian flu is a major concern to the poultry producers and growers in our area. The industry in Maryland, Virginia and Delaware are on red alert to avert any potential problems. More than 50% of the corn crop has been planted in Talbot County at this time.

Walter Chase, Town of Trappe: reported there are only two businesses operating downtown: Salon Inspire and the Hidden Gem. The Town of Trappe signed the Good Faith Compliance Review with attorney Nicholas Rocks. Rocks Engineering still plans to build 2,501 houses in Trappe and they are consulting with interested builders. The project may begin sometime in the next year. A suggestion was made to invite Mr. Rocks and Mr. Rauch to an EDC meeting as guest speakers to provide an update on the project.

Jacqueline Wilson: reported, as the small business representative, she is handwriting letters to each of the award recipients at the Business Appreciation Breakfast. Ms. Wilson offered her full cooperation for any projects needed by the OED/EDC.

Peter Dunbar, Town of Oxford: reported Oxford Day was reasonably successful, as it was a cold day and they guess about 2,500 people attended.

Terenda Thomas, Department of Labor, Licensing and Regulation (DLLR): reported on a personal experience in assisting a client in filling out a job application to be a delivery truck driver and the difficulty they had in completing the work. The process took 2.5 hours with her assistance. Ms. Thomas noted she holds two masters degrees and she found the application was challenging. They found it was impossible for this person to connect the questions and answers to the job that was to be performed even though he had been in the industry for 26 years and was effective in his field. Ms. Thomas requested the Business Resource Representative at DLLR to work with that particular business, regarding their screening process, so it is easier for the next applicants to complete.

Scott Warner, Mid Shore Regional Council: reported there are many things going on in Tilghman Island; Kelley Cox's project collaborating with the Shockley's and Hooper's Island Oyster aquaculture efforts.

The director concluded:

- July 1st is the first 2015 trip to Poplar Island. If anyone is interested in attending the tour, email Michele to be put on the list of attendees. The OED hosts two tours to Poplar Island as an environmental technology show case.

The meeting adjourned at 9:32 a.m. The next Talbot County Economic Development Commission meeting is June 4th at the Talbot County Government Office Building, 215 Bay Street, Suite 5, Easton, Conference Room 1. The meeting begins at 8:00 a.m.